

# Ontario Electricity Prices Are Out Of Control

- Daniel Tencer The Huffington Post Canada [http://www.huffingtonpost.ca/2016/07/21/ontario-hydro-rates\\_n\\_11107590.html](http://www.huffingtonpost.ca/2016/07/21/ontario-hydro-rates_n_11107590.html)

Ontarians aren't just imagining it: Electricity prices in the province are soaring.

Prices jumped by 15.7 per cent over the past year, according to Statistics Canada's consumer price index, about eight times faster than overall inflation. Bank of Montreal chief economist Doug Porter published this chart showing just how far hydro rates have diverged from other prices in the province.

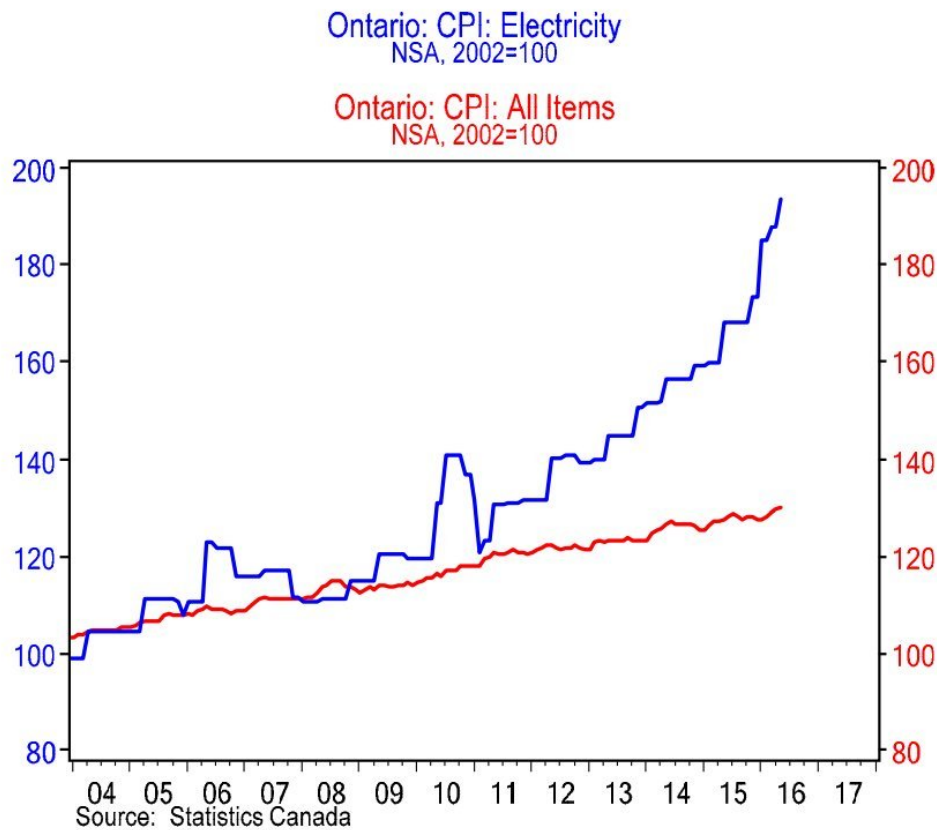


Chart: Bank of Montreal

“Meantime, electricity prices in the rest of the country have posted average annual gains quite close to the overall inflation rate over these periods (i.e., roughly 2 per cent per year),” Porter wrote.

“In Ontario, only three other categories in the CPI have risen faster than electricity since 2002 — water charges, home insurance and cigarettes. But in the past seven years, nothing has risen faster than electricity prices.”

Ontario’s prices are being driven up by a number of factors, including subsidies for the province’s green energy program. The Liberal government of Premier Kathleen Wynne in recent years managed to eliminate the use of coal as a source of electricity.



*(Photo: Ibrahim Alghamdi via Getty Images)*

Other factors driving up prices include costly maintenance of aging nuclear power plants and debt payments. Ontarians have seen two rate hikes since December, adding around \$100 to the average annual hydro bill.

The problem is especially acute in rural Ontario, where high delivery charges mean some families are paying in the range of \$300 a month for electricity.

Manufacturers complain that soaring electricity prices are forcing production out of Ontario and giving Mexico and other countries a competitive advantage.

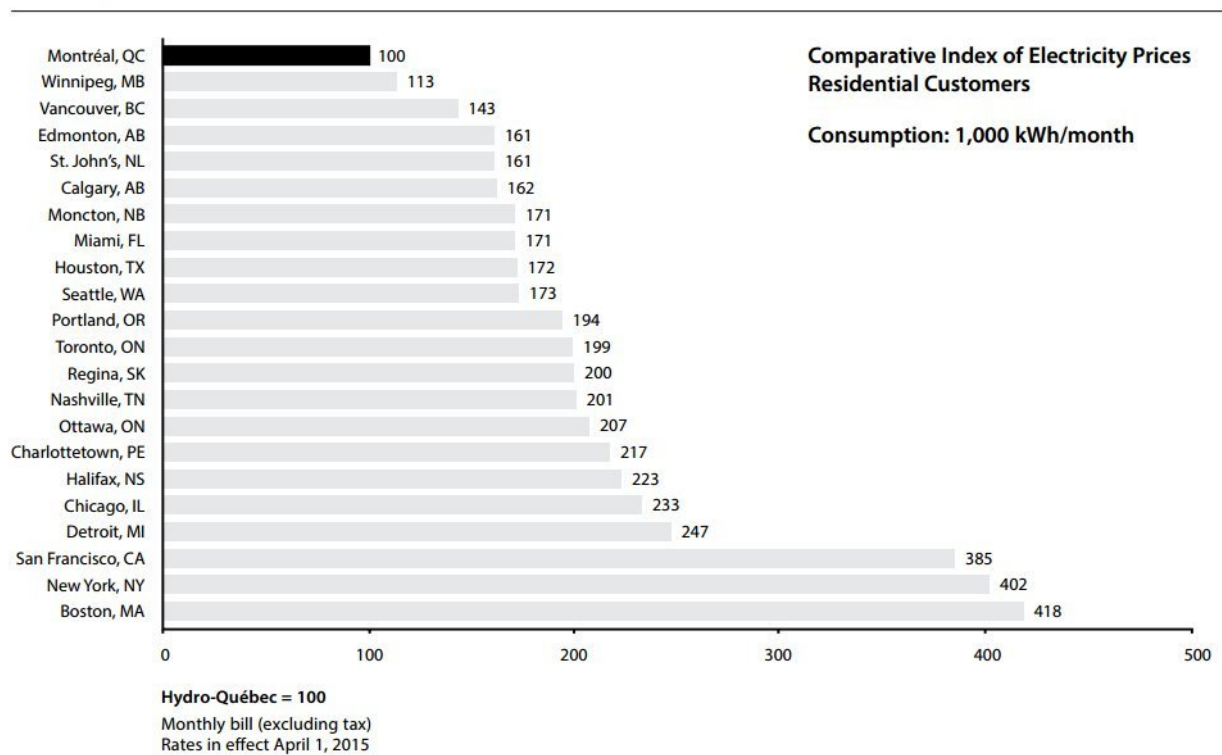
The provincial Liberal government says it is “taking significant steps” to relieve the pressure on rural hydro rate-payers.

As of this January, Ontarians struggling with their hydro bills can apply to the Ontario Electricity Support Program for up to a \$50 refund on their hydro bill. The province also offers up to \$600 in funding towards hydro bills through the Low-Income Energy Assistance Program (LEAP).

While Ontarians pay some of the highest electricity rates in Canada, those rates are still relatively low when compared to many places across North America.

According to data from Hydro Quebec, rates paid in Ontario are well below those seen in New York, Boston or Chicago.

**FIGURE 1**



*Chart: Hydro-Quebec*

Suggest a correction

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